

Amendments to the Specification:

Please insert a new paragraph at the top of page 1 as follows:

This application is a continuation application of pending United States Patent Application No. 09/324,920, filed on June 3, 1999, the contents of which are hereby incorporated by reference.

Please replace paragraph [0003], with the following rewritten paragraph:

One popular example of a known risk management system is the RiskWatch V3.1.2 system, sold by the assignee of the present invention. This system is very flexible and allows users to employ models of the instruments in the user's portfolio, which models are evaluated at appropriate time intervals, in view of a set of possible scenarios. Each scenario comprises a vector of values for risk factors employed in the models, at each time interval, and each scenario has associated with it a probability of the scenario occurring. The resulting risk values of the instruments, when the models are evaluated under each scenario at each time interval of interest, are then used to produce one or more risk metrics which are examined to assess the risk to the user of holding the portfolio of instruments under the evaluated scenarios. The instruments which can be modeled and assessed by the system are not particularly limited. The system and merely requires that an adequate model can be defined for the instrument. Instruments can include, without limitation, various financial instruments such as equities, options, derivatives, etc. and can also include non-financial instruments such as reservoir capacities, insurance products, etc.

Please replace paragraph [0016], with the following rewritten paragraph:

In co-pending U.S. patent application filed June 2, 1999, accorded serial number ~~09/323,680~~ and assigned to the assignee of the present invention, a novel risk management system is disclosed and the contents of this reference are incorporated herein by reference. As shown in Figure 1, this novel risk management system 20 can include one or more risk engines 24 which operate on models of instruments employing risk factors and the values of these risk factors are defined in scenarios that are stored in a database 28. Risk engines 24 evaluate the models with the corresponding sets of risk factor values of a scenario to determine risk values for the scenario which are also stored in database 28. System 20 further includes one or more aggregation engines 32 which operate to retrieve determined risk values from database 28 to determine appropriate risk metrics for a portfolio of the instruments stored in database 28.

Please replace paragraph [0029], with the following rewritten paragraph:

In a present embodiment of the invention, a rule or rules defined in Rule structure 160 can be of any one of five types of rules that embody a condition, namely: a band rule; a barrier rule; a comparison rule; a functional rule; and a composite rule;. Where a rule is of a type that embodies a condition, and each rule or set of rules returns a "TRUE" value when the condition of interest is present in the portfolio under the present scenario and time, and a "FALSE" value at all other times. Where a Trade Manager 128 has rules of a type that embody a condition, a Trade Manager 128 only initiates trades when its rule, or rules, are TRUE.

Please replace paragraph [0037], with the following rewritten paragraph:

Thus, at step 204, the selected Trade Manager 128 queries aggregation engine 32 to retrieve the required attribute values from database 28 or to determine derived values by invoking a risk engine 24, as needed. At step 208 the rule, or rules in the case of a multiple rule Trade Manager, in Rule structure 160 is evaluated with the attribute values. At step 212, a determination is made as to whether the rule, or rules that embody a condition, in Rule structure 160 is TRUE. If the rule or rules are TRUE, step 216 is performed, wherein the Trade Manager 128 updates the positions in the dynamic portfolio 100, to simulate appropriate trades, of those instruments indicated by the Trade Position list 176, to obtain the targets indicated by Target Vector 172, while updating the positions of the appropriate instruments indicated by Funding Position list 180, as required.

Please replace paragraph [0020], with the following rewritten paragraph:

Figure 3 shows a Trade manager 128 in more detail. As shown, each Trade Manager 128 includes a Rule structure 160, a Tracked Position list 164, a ~~Tracked~~ Tracking Attribute list 168, a Target Vector 172, a Trade Position list 176 and a Funding Position list 180, each of which is described in further detail below.